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RESERVE

The Friday Letter

October 12, 1979

This Week

House and Senate conferees continue to meet, hoping to reach an agreement on the spending authority. The welfare reform bill was returned to the Ways and Means Committee. Next week, Secretary Bergland is scheduled to testify on the 1980 food stamp proposals. A project will be conducted to provide cash instead of food stamps to some elderly households. In a news feature that was released, Billy Sims helps to observe National School Lunch Week. The October issue of Food and Nutrition came out. You'll find the details of these and other matters of interest to you on page:

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(The Editor of the Friday Letter is Alma Holland.)
(Typing of this issue was done by Dreama Blackwell.)

On the Hill: Continuing Appropriations

House and Senate conferees continue to meet in hopes of reaching an agreement which might still pass both Houses today or tomorrow. Abortion and the Congressional pay raise remain the outstanding issues.

Food Stamps

The House Agriculture Committee, after a subcommittee hearing, returned the House's welfare reform bill to the Ways and Means Committee without any recommendations. The two provisions which the Committee was asked to consider were the nationwide cashout of food stamps for SSI recipients and a pilot cashout of AFDC recipients in two project areas. After voting down efforts to expand the SSI cashout to all elderly and to eliminate the AFDC pilot, the Committee found itself without a quorum. Since it had agreed to finish action by yesterday, the bill was returned to the Ways and Means Committee and will go to the floor with the two cashout provisions in tact.

Next week, Secretary Bergland will testify before the House Agriculture Subcommittee on the Administration's 1980 food stamp proposals. He will ask that the spending cap be removed, that States be given the option of retrospective income accounting and periodic income reporting, and that we be authorized to set up a sanction system for States with excessive error rates. Other witnesses will represent the Social Security Administration, the Internal Revenue Service, the Department of Labor and the General Accounting Office.

Child Nutrition

Also next week, Jennifer Nelson and Margaret Glavin will appear before the House Elementary, Secondary, and Vocational Education Subcommittee to present testimony on the school lunch program. Other witnesses will include several advocacy groups.

USDA Will Provide Some Elderly With Cash Instead of Food Stamps

(By Leslie Wilder)

USDA will conduct a demonstration project to provide cash rather than food stamps to elderly and Supplemental Security Income (SSI) households. SSI is a cash assistance program administered by the Social Security Administration that provides benefits for aged, blind and disabled people.

The project will examine whether cash instead of stamps will encourage participation by eligible elderly and handicapped people. Currently, only about half of the eligible households with aged and handicapped members are using food stamps.

The project is authorized by the Food Stamp Act of 1977. Eight sites will be selected nationwide, with an urban/rural balance. The demonstration projects will begin in April 1980 and operate for a year. Checks will be mailed on a monthly basis.

A notice of intent was published in today's Federal Register.

10th Anniversary Celebration of FNS

The 10th Anniversary Celebration of Food and Nutrition Service last Friday afternoon was most successful. Sincere thanks to all who contributed to making the celebration the success that it was.

To share the occasion with you, we are planning a special edition of the Friday Letter, highlighting the activities. Copies will be distributed to all employees.

Food and Nutrition Magazine

(By Jan Kern)

Off press this week is the October issue of Food and Nutrition. The issue includes eight articles:

- Three articles tell how people are tailoring nutrition education to the special needs of children who are mentally retarded or physically handicapped. The first reports on a special project in Memphis, funded by the Food and Nutrition Service.
- Another feature on teaching kids about food tells how a nutritionist with the Memphis City School System "gets the nutrition message across to young children."
- Two articles on school breakfast explain current efforts to reach more schools. New regulations make it easier for many schools to get the extra help they need.
- Parents and teachers will be taking a close look at school food services this year, as a result of a cooperative agreement between the PTA and USDA. You'll find the background on the agreement on page 13.
- The District of Columbia has made some changes in the way it issues food stamps. The changes include special steps to help the elderly and handicapped. A 2-page article tells how a special project enables elderly and handicapped people pick up their food stamps in the housing complexes where they live.

NSLP Fact Sheet Off Press

(By Gene Vincent)

Off press this week is a revised printing of FNS-78, "National School Lunch Program" fact sheet. The eight by ten and a half single sheet is in Q&A format. It briefly describes the operation and requirements of the National School Lunch Program.

News Releases and Features Issued This Week

October 4 - Billy Sims Helps to Observe National School Lunch Week

October 11 - USDA Will Provide Some Elderly With Cash Instead of Food Stamps

Speaking and Public Events for the Secretary and Assistant Secretary

BERGLAND	Secretary	
Oct 14 79	Kansas City, KS	National Conference on Catholic Charities
Oct 15 79	Washington, DC	Food Marketing Institute
Oct 17 79	Boston, MA	Society of American Foresters
Oct 19 79	Washington, DC	American Society of Agricultural Consultants Annual Meeting
Oct 25 79	Salem, VA	Board of Trustees Dinner for the Roanoke College Associates
Oct 29 79	Washington, DC	Rural Youth Unemployment Conference
Oct 30 79	Washington, DC	Pilot Training Seminar for Procurement Personnel - Patio
Oct 30 79	Washington, DC	29th Annual Meeting of the Fertilizer Industry Round Table
Nov 2-21 79	Europe	European and Middle East Trip
Nov 26 79	Washington, DC	Combined Federal Campaign Victory Luncheon
Nov 27 79	Montpelier, VT	Public Meeting on Structure of Agriculture
Nov 28 79	Fayetteville, NC	Public Meeting on Structure of Agriculture
Nov 29 79	Huntsville, AL	Public Meeting on Structure of Agriculture
Nov 30 79	Washington, DC	United Way Victory Luncheon
Dec 4 79	Sioux City, IA	Public Meeting on Structure of Agriculture
Dec 5 79	Sedalia, MO	Public Meeting on Structure of Agriculture
Dec 6 79	Wichita Falls, TX	Public Meeting on Structure of Agriculture
Dec 11 79	Boulder, CO	Public Meeting on Structure of Agriculture
Dec 12 79	Spokane, WA	Public Meeting on Structure of Agriculture
Dec 13 79	Fresno, CA	Public Meeting on Structure of Agriculture
Dec 18 79	Lafayette, IN	Public Meeting on Structure of Agriculture

FOREMAN Assistant Secretary

Oct 15 79 Washington, DC Food Marketing Institute
Nov 8 79 Oklahoma City, OK Mid-American Consumer Education Conference

Milestones - FNS Publications

(By Matilda Oden)

October 9, PA-1241, Building a Better Diet: Press Inspection to check color proofs.

October 11, PA-1036, Careers in the Food and Nutrition Service: Received
from printer.

October 11, FNS-163, Food for Kids: Received repros.

October 11. Why Serve Breakfast at School? Received repres.

NEWS

FEATURE

U.S. DEPARTMENT OF AGRICULTURE



Billy Sims, running back for Oklahoma University and 1978 Heisman football trophy winner, gets a rousing cheer from Emerson Elementary School students in Tulsa, Okla. Sims—taking time out to observe preparations for National School Lunch Week—told the kids school lunch does for students what the training table does for athletes. "I ate school lunches when I was in school and look at me now," he said. Schools will observe National School Lunch Week Oct. 14-20 with special menus and by inviting parents and community leaders to school for lunch.

FOOD AND NUTRITION SERVICE
STATUS OF LEGISLATION - OCTOBER 12, 1979

ACTION

<u>SUBJECT/NUMBER</u>	<u>BRIEF TITLE/SPONSOR/DATE/PROVISIONS</u>	<u>STATUS</u>
<u>FOOD STAMPS</u>		
S. 1309	INCREASE THE ADMINISTRATION FOR APPROPRIATIONS FOR THE FOOD STAMP PROGRAM (TALMADGE 6/11) (Removes cap for FY '80, and '81)	6/14 - Senate Nutrition Subcommittee hearing. 6/20 full committee markup. 7/9-Reported by Senate Agriculture #96-236 7/23 - passed Senate, 75-20. Hearings scheduled Oct./Nov.
H. R. 4318	AMEND THE FOOD STAMP ACT OF 1977 (ADMINISTRATION/FOLEY 6/5) (Improve food stamp program fiscal accountability through reductions in inaccurate eligibility & benefit determination and intensified fraud detection and recovery procedures; remove specific dollar limitations on appropriations while continuing to limit expenditures to available funds)	Subcommittee hearings Oct./Nov.
H.R. 5057	AMENDMENT TO FOOD STAMP ACT (RICMOND/KELLY 8/1) (A bill to amend the Food Stamp Act of 1977 to provide a medical deduction to the extent medical expenses exceed \$10 for households containing members 60 or over, receiving SSI, or receiving disability payments under title II of the Social Security Act)	

CHILD NUTRITION

H.R. 4136 ADMEND THE CHILD NUTRITION ACT OF 1966 TO EXTEND THE AUTHORIZATION FOR APPROPRIATIONS CONTAINED IN SECTION 7 OF SUCH ACT (PERKINS 5/17)
(5/31 amendments: authority to withhold SAE funds for State deficiencies in program operations; requires Secy. to set standards; allows the use of SAE funds for all programs rather than only programs designated in allocations)

WIC

S. 292 REDUCE FY '80 WIC AUTHORIZATION (MCGOVERN 1/31)

(From \$800 million to \$750 million)

(5/23 amendments: authority to withhold SAE funds for State deficiencies in program operations; authority for Secy. of Defense (& USDA) to expand WIC program to dependents of military personnel abroad; in summer feeding, eliminate most private sponsors who contact with private vendors, require States to conduct outreach in areas where 50% or more of the households have incomes below the poverty level, allot States 2% of the previous year's program expenditures for audits)

APPROPRIATION &
BUDGET

H.R. 4387 AGRICULTURE & RELATED AGENCIES APPROPRIATIONS, FY '80
(WHITTEN)

4/6 - Reported by Senate Agriculture Committee, #96-61.
Ordered to be reported, as amended.
5/23 - passed Senate with amendments.

6/19 - Passed by House, 391-30
6/26 - Approved by Senate Appropriation Subcommittee for full Committee consideration.
7/11, 12 - Full Committee mark up.
7/12 - Reported by Senate Appropriations #96-246. 7/19 - Passed by Senate 90-7. Conference met Sept. 13th & 17th. To be continued.

S. Con. Res. 36 SECOND CONCURRENT BUDGET RESOLUTION (MUSKIE 9/5)
(A concurrent resolution revising the congressional budget for the U.S. Government for the fiscal years 1980, 1981, and 1982)

9/20 - Passed Senate 62-36.
9/27 - Passed House 289-119.

APPROPRIATION &
BUDGET (Cont'd)

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H.J.Res.412

CONTINUING RESOLUTION (WRITTEN 10/9)
(A joint resolution making continuing appropriations
for the fiscal year 1980)

10/9 - Passed by House.

10/10 - Passed by Senate.

10/11 & 12 Conference.

WELFARE REFORM

H.R. 4904

SOCIAL WELFARE REFORM AMENDMENTS OF 1979 (CORMAN 7/23)
(Formerly numbered H.R. 4321 - Administration/Corman bill,
as amended by subcommittee during markup: Reform of AFDC
and SSI programs; changes ineligibility for these programs;
SSI cashout for food stamp benefits; authority for limited
pilot of food stamp cashout for AFDC.)

EDUCATION

S. 210

DEPARTMENT OF EDUCATION ORGANIZATION ACT (RIBICOFF 1/24)

6/15, 18, 20, 22, 26, & 27 -
Subcommittee hearings. 7/16
& 17 - Subcommittee markup.
8/1 - Ways and Means Committee
markup begun. Ordered reported
9/13. 10/11 House Agriculture
Committee markup.

OTHER

S. 605

FOOD AND NUTRITION PROGRAM OPTIONAL CONSOLIDATION AND
REORGANIZATION ACT OF 1979 (BELLMON 3/8)

(A bill to afford the States the option of consolidating
and reorganizing the food assistance programs administered
by the Secretary of Agriculture including the Food Stamp
Program, the Child Nutrition Programs, the Nutrition
Education Program and the Commodity Supplemental Food
Program.)

Senate Nutrition Subcommittee
to hold hearing November 1.

Schedule of Congressional Hearings

DATE	PLACE	TIME	COMMITTEE/SUBCOMMITTEE	SUBJECT	WITNESSES
Wed. Oct. 17	1302 Longworth	10:00 am	House Agriculture Subcommittee	Hearings on FS Reform (H.R. 4318, H.R. 5057, and recoupment)	GAO, IRS, SSA, and DOL
Wed. Oct. 17, Thurs. Oct. 18	2175 Rayburn	9:30 am	House Elementary, Secondary and Vocational Education Subcommittee	Hearings on Overt Identification in the lunch room	Jennifer Nelson Children's Foundation Nat'l Child Nutrition Project and Hunger Task Force Groups
Thurs. Oct. 18	1302 Longworth	9:30 am	House Agriculture Subcommittee	Hearings on FS Reform (H.R. 4318, H.R. 5057, and recoupment)	Bob Bergland
Fri. Oct. 19	4234 Dirksen	10:00 am	Senate Labor and Human Resource Committee	Mark-up 1724 Fuel Assistance	
Wed. Oct. 24	345 Cannon	2:00 pm	House Select Committee on Aging	Interagency Agreements	USDA Asst. Sec., Mercure, ACTION, DOL, HEW, HUD, and DOT
Tues. Oct. 30	1302 Longworth	9:30 am	House Agriculture Subcommittee	Hearings on H.R. 4318	Members of Congress

Schedule of Congressional Hearings - Continued

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<u>Tues.</u> Oct. 30				
<u>Wed.</u> Oct. 31 &				
<u>Thurs.</u> Nov. 1	House Elementary, Secondary and Vocational Education Subcommittee 2175 Rayburn	9:30 am	Hearings on impact of proposed re- duction in Section 4 reimbursement	ASPIRA, State and Local Program Directors
<u>Thurs.</u> Nov. 1	To be announced		Hearings on S. 605 (Bellmon)	USDA and others to be announced
<u>Wed.</u> Oct. 31				
<u>Thurs.</u> Nov. 1	1302 Longworth	9:30 am	House Agriculture Subcommittee 4318	General Public
<u>Tues.</u> Nov. 6, 7 and/or 8	1302 Longworth	9:30 am	House Agriculture Subcommittee	Mark-up of H.R. 4318
Before Nov. 15	To be announced		House Agriculture Committee	Mark-up of H.R. 4318

GENE DICKEY LEAVES FOOD AND NUTRITION SERVICE



On August 28, a large group of Gene Dickey's friends gathered at Bolling Air Force Base Officers Club for a farewell luncheon. Administrator Bob Greenstein (right) presents Gene with a Certificate of Appreciation signed by Secretary Bergland which reads: "In recognition of exceptional service to the U.S. Department of Agriculture. The qualities of leadership, resourcefulness and managerial ability you have displayed in your energetic performance of important and diversified responsibilities in the Food and Nutrition Service have contributed significantly to improving the administration and operation of the nationwide food assistance programs."

OFFICE OF CIVIL RIGHTS AND EQUAL EMPLOYMENT OPPORTUNITY

Herbert A. Scurlock
Director

A-11 Budget and Activity Report

The Office of Management and Budget's Circular A-11 requires an annual budget submission for civil rights compliance (Title VI) in Federal assistance programs and Equal Employment (Title VII) activities from all Federal agencies. All program divisions in Washington and the Regional Offices are being requested to provide relevant information from all assistance programs administered by FNS. All agency reports are then coordinated by the Office of Equal Opportunity (OEO) for transmittal to the Office of Budget, Planning and Evaluation (OBPE) where the aggregated data is used for an overall evaluation of the resources for Titles VI and VII activities in each agency.

Civil Rights Survey of Public Schools

Larry Brantley, Manager, Title VI Staff, OCR/EEO, Brad Haigh and Nancy Chetry, Special Nutrition Programs, gave presentations at the public meeting on the Department of Health, Education and Welfare (DHEW)/FNS Civil Rights Survey of Public Schools at DHEW. The 1-day workshop was held to provide a public forum for the wide range of viewpoints on the proposed contents of the Fall 1980 Elementary and Secondary Schools Survey Forms 101 and 102. Comments will be considered in the final draft of the survey forms at the Council of Chief State School Officers, Committee on Education Information Systems (CEIS) meeting in San Antonio, Texas, on October 24, 1979, which will be attended by Herbert Scurlock, Director, OCR/EEO. A CEIS approval of the final draft in their October meeting is essential for inclusion of FNS questions on the survey.

This survey will be conducted by the Office of Civil Rights, DHEW, in a proportionate sample of public schools throughout the United States during the fall of 1980. FNS will be participating in this survey to satisfy the data collection requirements of the Department of Justice (DOJ) and USDA regulations implementing Title VI.

It will provide data on the number of pupils by racial/ethnic category with approved vs. denied applications for participation in the Child Nutrition Free and Reduced Price Lunch Program.

Civil Rights Orientation Meeting

The Director of Special Nutrition Programs in the New England Regional Office, John Ghiorzi, and Branch Chief, Wayne Brenholt, were briefed recently by Larry Brantley on the rules, regulations and compliance requirements of Title VI.

Submitted by: Mary Freeman
Typed by : Belinda Drakeford

HURRICANE FREDERIC - MOBILE, ALABAMA

Gary Holmes of the Southeast Regional Office looks at the damage from Hurricane Frederic around the Civil Defense Center. Holmes, who was in charge of the distribution of USDA-donated food for mass shelter feeding, had gone to Mobile in advance of the hurricane. He was at the Civil Defense Center when the hurricane struck and tossed huge trees around the area as if they were toothpicks.



Jerry D. Kelley, Officer-in-Charge of the FNS Mobile field office, is shown with Ms. Nettye Chestang, cafeteria manager at the W. P. Davidson High School in Mobile. This was one of the many public schools used by the Red Cross to provide shelter feeding for hurricane victims. The USDA-donated food was used in preparing hot meals for the victims.

Jerry Kelley (second from right) talks with a Mobile family dining at the W. P. Davidson High School cafeteria. This family was among the thousands without power because of the hurricane.



SPECIAL NUTRITION PROGRAMS

Jennifer R. Nelson
Acting Deputy Administrator

SCHOOL PROGRAMS DIVISION

Margaret Glavin
Director

Management Evaluation Guidance

The Management Evaluation Guidance for 1980 was forwarded to the Regional Offices yesterday. A copy of the guidance is being sent to all Regional Directors via transmittal memorandum. Also, each Regional Office will receive an additional 25 copies under separate cover. (by Sandy Smith)

State Plans

We have not yet received final approval for the New Hampshire and Ohio State Plans or the Federal/State Agreement for Michigan. We need these so that we can begin the paperwork on the release of 1st quarter Letters of Credit for those three State agencies. (Release of funds is contingent on passage of the Child Nutrition Programs appropriation.) (by Elaine Sinclair)

FNS-13 Approved

We have received Office of Management and Budget (OMB) approval of the FNS-13. Within the next 2 weeks we will be sending you a sufficient number of copies to distribute to each State agency. Our transmittal memorandum will contain detailed information on completion and submission of the form. Due to the lateness of OMB approval, the deadline for mailing this year's forms to FNS is November 30, 1979. Next year the deadline will revert to October 31. (by Steve Boruchowitz)

Proposed Competitive Foods Rule

The comment period ended on October 6, 1979. We are still receiving a large volume of comments postmarked on or before the 6th. To date, we have received approximately 3,000 comments. (by Barbara McLaughlin)

School Breakfast Program Outreach

We are finalizing a catalog of materials we have found available relating to the School Breakfast Program and will be sending it to the Regional offices within the next couple of weeks. The list includes publications, audiovisuals, studies and surveys, and journal articles from sources such as USDA, State agencies, advocacy groups, and industry. We realize that this is not an all-inclusive list and plan to continually update it. Please let us know of any good materials you would like added at any time.
(by Robin Long)

NUTRITION AND TECHNICAL SERVICES DIVISION

Audrey Maretzki
Director

Meeting of Regional Nutrition and Technical
Service (NTS) Directors and Nutrition Education
and Training (NET) Coordinators

This is the first time that we have conducted a joint meeting of the Regional NTS Directors and NET Coordinators, and as you might suspect, the agenda is very comprehensive. The sessions have been long, but the input by both the Washington and Regional staffs have been excellent. I feel we have all learned much from each other. We have also learned much from our outside speakers.

American Academy of Pediatrics Handbook

The American Academy of Pediatrics has published a Pediatric Nutrition Handbook. The handbook covers basic nutrients, gastrointestinal function, nutritional status, normal nutrition in infancy and childhood, nutrition and the community, clinical applications of nutrition, parenteral nutrition and miscellaneous topics. The handbook would be a valuable resource for people working in the areas of infant and child nutrition. Copies of the handbook can be obtained by writing to the American Academy of Pediatrics, Box P, P. O. Box 1034, Evanston, Illinois 60204. The cost of the handbook is \$6.00 per copy.

Nutritional Evaluation of the School Breakfast Program Completed

We have received the draft final report of the Nutritional Evaluation of the School Breakfast Program conducted by Opinion Research Corporation (ORC) in 67 schools across the nation during the 1978-79 school year. Currently, the draft report is being circulated and reviewed within the Agency. An oral briefing to be given by ORC and the subcontractor, Colorado State University, is being planned for the first part of November for interested FNS personnel. Details regarding the date and time for the briefing will be sent to the Divisions once the schedule is finalized.

Nutrition and Technical Services Division Welcomes New Staff Members

A new staff member has joined the Nutrition and Technical Services Division (NTSD). She is Stella Patterson who has come down from the New England Regional Office and will be working for Henry S. Rodriguez, Deputy Director, as his secretary.

Judy F. Wilson has joined the Nutritional Science Section of NTSD where she will serve as Public Health Nutritionist. Judy has formerly worked with the WIC Program in Newark, New Jersey. She recently served as consultant to the Justice Department and other legal organizations where she worked on nutrition issues in penal systems.

FOOD DISTRIBUTION DIVISION

Darrel E. Gray
Director

Frozen Ground Pork

The Department announced plans last week to purchase bulk frozen ground pork for distribution to school lunch and other domestic feeding programs. The pork will be purchased weekly by the Meat Quality Division, FSQS, and will be distributed by the Food Distribution Division, FNS, to schools and nutrition programs for the elderly. The last time frozen ground pork was purchased by the Department was in FY 1973, when more than 17 million pounds were purchased for our programs.

Canned Pork in Natural Juices

The first purchase of canned pork in natural juices was made this week for shipment the week of November 18. Five carlots (369,750 pounds) were purchased and will be distributed to Indian needy families.

Canned Purple Plums

Response to the Department's invitation to purchase canned purple plums was very light. We were able to purchase 2,044,240 pounds, all of which originated in the Northwest and will be distributed to Western destinations only.

SUPPLEMENTAL FOOD PROGRAMS DIVISION

Jane W. McNeil
Acting Director

WIC Communiqué

The WIC Communiqué, which highlights the final WIC regulations, was mailed to Regional Offices, State agencies and other interested parties last Friday. Hopefully everyone will receive their copy this week.
(Prepared by Molly Martin)

FY 1980 Funding Problems

As we have previously advised, we are prepared to release Letters of Credit as soon as possible after passage of funding legislation. In the meantime, we have sent emergency funds to a number of your States. We sincerely appreciate the efforts your offices have made and the willingness of your State agencies to realign available resources to maintain operations during this period. (Prepared by Jane McNeil)

CHILD CARE AND SUMMER PROGRAMS DIVISION

Jordan Benderly
Director

Summer Food Service Program Regulations for 1980

The proposed amendments to the Summer Food Service Program regulations are in the formal clearance process and should be published in the Federal Register within the next few weeks.

The Division will mail out advance copies as soon as the docket has cleared the Department. This will give Regional Offices, State agencies and others on the mailing list a head start in preparing their comments since the comment period will end on or about November 20.

It's Good To Have You With Us

We are happy to welcome three new employees to the Division. Linda Beacken, who has a Master's Degree in Social Work, is from Laurel, Maryland, and has worked in various social service and mental health settings in the Baltimore-Washington, D.C., area. She will be working in Bob Eadie's unit in the Policy and Program Development Branch. Regina Heath has joined the Division as part of the clerical staff in the Policy and Program Development Branch, and will also be in Bob Eadie's unit. A lifetime resident of Washington, D.C., she has been working at the Department of Labor.

Ms. Cheryl McElmurray joined the secretarial staff of the Division's Analysis Section this week. She will be working under the supervision of Jacqueline Williams.

Welcome Back

Emma Clinkscales returned to Washington after a 1-month assignment at the Southeast Regional Office. While in Atlanta, Emma was involved in processing reviews of local institutions participating in the Child Care Food Program. The purpose of this continuing study is to determine whether local institutions within the Region are using CCFP funds effectively.

We are happy to welcome Emma back to the office.

(Typed by Denise D. Riley)

CHICAGO - "THE CITY IN A GARDEN"



The garden came to the City of Chicago on September 12 as urbanites found fruits and vegetables for sale in the Daley Center Plaza as part of the Consumer Day market sponsored by the City Department of Consumer Services. The Midwest Regional Office provided information on how shopping with food stamps can help consumers.



Photos by Carol Jean Zalatoris

OFFICE OF POLICY, PLANNING AND EVALUATION

David M. de Ferranti
Director

Recoupment in the Food Stamp Program

FNS recently announced the results of a major analysis of the feasibility and effects of recoupment in the Food Stamp Program. Under a recoupment system, food stamp recipients would be required to pay back some or all of the food stamp benefits they receive during a calendar year if their adjusted gross income for that year exceeds twice the poverty line on an annual basis. The amounts that recipients would be required to repay would be collected through the Federal income tax system. The study of recoupment was mandated by the Food Stamp Act of 1977, and an amendment to require recoupment in the program is currently pending before the House of Representatives.

The study found that recoupment would reduce Federal costs, after an initial 2 to 3-year start up period, by about \$48 million annually. However, State and local costs would increase by about \$27 million per year. About \$83 million in benefits would be recovered annually, but administrative costs would increase by \$27 million on the Federal level and \$27 million on the State and local level.

Five percent of all households receiving food stamps at any time during the year would be subject to recoupment; 1.5 percent of total annual food stamp benefits paid would be owed back. Recoupment would affect primarily working households that participate in the Food Stamp Program for relatively short periods of time, and whose gross annual incomes were between two and two and a quarter times the poverty line. Recoupment might discourage employable food stamp recipients from looking for or accepting jobs which would increase their income over the recoupment limit.

Because the Food Stamp Program and the income tax system use different units, the household and the tax filing unit, respectively, recoupment would have major administrative implications. Some method of allocating food stamp benefits to household members for tax purposes would be required. One possible allocation method would be to apportion benefits on the basis of individual household members' incomes and contributions to the cost of maintaining the household. This would require the collection and verification of income and expenditure data on every household member by food stamp offices. Another method would apportion benefits according to tax units within the household. To administer this method, food stamp caseworkers would need to know income tax rules. The third possible allocation method would apportion benefits on a strictly per capita basis to household members. This would require less data than the other methods, but would necessitate the collection and validation of Social Security numbers for each individual in the household.

Also, in order to inform food stamp households of the total amount of benefits they had received over the calendar year, food stamp agencies would send year-end reports (like IRS W-2 forms) to every household by

the end of January. The IRS would also require a list of all food stamp recipients and their benefit amounts from State agencies.

Copies of the report Recouplement in the Food Stamp Program may be obtained from the Office of Policy, Planning and Evaluation, Food and Nutrition Service, USDA, Washington, D.C. 20250.

SSI Cashout Evaluation

Last month, FNS awarded a contract to Mathematica Policy Research, of Princeton, New Jersey, to assist in an evaluation of the SSI cashout pilot projects. The contract covers data collection which will enable FNS to assess the relative impacts of cash and food stamps on elderly persons' participation in the Food Stamp Program, on their food expenditures and consumption, and on the administration of the program.

FAMILY NUTRITION PROGRAMS

Alberta C. Frost
Acting Deputy Administrator

Proposed USPS Transaction Fee

FNS and the United States Postal Service (USPS) are nearing completion on the negotiation of a new transaction fee. The USPS has proposed to raise the cost for transacting an authorization-to-participate (ATP) card from its present level of \$1.10 to \$1.42. Reasons cited in the USPS June 1979 cost study for the proposed increase include increased labor costs and the cost of special security equipment. As soon as we receive additional documentation on costs, we will be approving the increase and amending the agreement between USDA and the USPS to reflect the new transaction fee. We will let you know when the new fee will become effective.

(Lois Hohn)

Pennsylvania Warning to be Rescinded

As a result of the strong positive effort by the Pennsylvania State agency, we are in the process of rescinding the formal warning against the State for its failure to reduce the claims backlog in Philadelphia. This backlog which totalled 28,000 claims was a persistent problem for several years. However, under the new State agency administration all claims have been issued and over \$9,000 collected.

(Steve Hochman)

Proposed Changes to Food Stamp Rounding Procedure

Proposed rulemaking to revise the procedure for rounding amounts in the calculation of net food stamp income was published in the October 5 Federal Register. Under the current procedure, many States were forced to develop separate rounding procedures for determining net food stamp and AFDC income. In addition, the current procedure slightly understates the income of some households, adding to program costs. The proposed rule would permit the State agency the option to use one of the following two rounding methods: (1) use the standard rounding method in which amounts ending in 1 through 49 cents are rounded down to the nearest whole dollar while amounts ending in 50 through 99 cents are rounded up; or (2) use the rounding procedure that is in effect for that State's AFDC program. The proposed rule would reduce program costs by providing a more accurate income calculation and permit States to match processing procedures for the AFDC and Food Stamp Programs. Comments will be accepted through November 19, 1979.

(Dave Temoshok)

Store Reauthorization Project

The Minneapolis ADP Field Center (MFC) is preparing a list for all Field Offices of stores that have not submitted an application form. There are approximately 10,673 firms, who, according to MFC records, have not submitted an updated application. The list is being mailed to the Field Offices for their use in wrapping up the store reauthorization project.

This project has gone very well with less than 5 percent of the 250,053 applications sent out in March still outstanding. By means of this project, the field staff has been able to purge from the ADP records a large number of firms that either had closed, or had decided not to participate in the Food Stamp Program any longer, or who were no longer qualified to accept food stamps. As of October 5, there were 239,477 firms authorized including approximately 8,000 meal services, and 3,250 wholesalers. (It is interesting to note that only 195,000 firms including retailers, wholesalers, and meal services redeemed food stamps during August.)

Thanks to the effort of the field staff the store reauthorization project has worked very well. It has been very helpful in improving the management of retailer-wholesaler operations in the field by updating the records on the number of type of firms participating in the program and in updating the gross and food sales for all authorized retailers.

(Dwight Moritz)

New Medical and Shelter Deductions

By January 1, 1980, all States must implement the new medical and shelter deductions for households containing elderly or disabled members. For implementation, States will need posters, fliers, notices to be sent to households, a press release, a revised application form, worksheet and change report form.

To help States meet the January 1 deadline,

- 1) we will send negatives of the application form, worksheet, change report form, poster and flier directly to all States that can print for themselves in time for the deadline.

We will also send negatives of these materials to all Regions so that they can print for those States that cannot meet the deadline.

- 2) We have sent all States sample language in English and Spanish for the notice that States must send to households informing them of the new deductions. States must print this notice for themselves.
- 3) We will provide the Regions with a sample press release to be distributed to States for their use in publicizing the new rules.

Chris Jewell, Administrative Officer to the Acting Deputy Administrator for Family Nutrition Programs, is handling arrangements for these materials.

ADMINISTRATIVE SERVICES DIVISION

Frank Gearde, Jr.
Director

FNS Forms Approved for Printing

The following FNS forms have been sent to the printer:

<u>Number and Title</u>	<u>Date Sent</u>	<u>Scheduled Shipping Date</u>
FNS-187, Monthly Report of Special Supplemental Food Programs	10-9-79	10-23-79
FNS-393-1, Action Taken on Your Fraud Hearing - Notice of Local Fraud Hearing Decision	10-3-79	10-12-79
FNS-394-1, Action Taken on Your Fraud Hearing - Notice of State Fraud Hearing Decision	10-4-79	10-12-79
FNS-395-1, Advance Notice of Fraud Hearing Appeal	10-4-79	10-12-79
FNS-396-1, Advance Notice of Fraud Hearing	10-4-79	10-12-79
FNS-616, Labels, 3 x 5" Field Use w/P&FP Indicia	10-9-79	11-1-79

FNS Reporting and Recordkeeping Burdens Approved by OMB

The following FNS reports have been approved by OMB:

<u>OMB No. and Title</u>	<u>Date Approved</u>
40-R4086, Annual Reporting of Revenue & Cost	10-10-79

(Prepared and typed by Pam Holbert)

JOB OPPORTUNITIES

FNS Personnel Offices are making active efforts to fill the following vacant positions. To be considered for an announced position, candidates must submit an up-to-date SF-171, Personal Qualifications Statement, and current performance appraisal to the appropriate personnel office. If you are interested in a listed position in a Regional Office, apply to the Regional Office. If you are interested in a listed position in Washington, apply to the Employment Branch, Personnel Division, Food and Nutrition Service, U.S. Department of Agriculture, Washington, D.C. 20250. Please note vacancy announcement numbers have been included in this listing for your information. However, this is a vacancy summary and not an official vacancy announcement. Official vacancy announcements are available on designated bulletin boards at the appropriate Regional or Headquarters Office or by contacting the issuing office.

FRIDAY LETTER VACANCY LISTING BY VACANCY NUMBER

JOB TITLE	SERIES	GRADE	CLOSING DATE	VACANCY NUMBER	ORGANIZATIONAL UNIT
FOOD PROG SPECLST	0120	12	10/22/79 (REANNOUNCED)	79-96	PDD
INVESTIGATOR	1810	9	10/22/79	79-153	FOD(Oakland)
FOOD PROG SPECLST	0120	13	10/22/79	79-154	FDD
FOOD PROG SPECLST	0120	5/7	10/19/79	79-155	SFPD
SUPVRY FOOD PROG SPECLST	0120	13	10/29/79	79-156	FDD
CLERK TYPIST OR SECRETARY TYPING	0322 0318	4 5	10/29/79	79-158	CR&EEO
ACCOUNTANT	0510	9/11	10/22/79	79-39	MWRO
DIETICIAN	0630	7	OPEN UNTIL FILLED		MPRO
CLERK TYPIST - PART-TIME (3 POSITIONS PERM 32 HRS)	0322	3/4	OPEN UNTIL FILLED		
CLERK TYPIST	0322	2/3/4	OPEN UNTIL FILLED		

FRIDAY LETTER VACANCY LISTING BY VACANCY NUMBER

JOB TITLE	SERIES	GRADE	CLOSING	VACANCY	ORGANIZATIONAL
			DATE	NUMBER	UNIT
IST STENO	0322 0312	3/4	OPEN UNTIL FILLED		FMRD
TYPING	0318	5	OPEN UNTIL FILLED		CCSPD

Secretary Steno/Secretary Typing GS-318-5 79-7 OPEN UNTIL FILLED

TOTAL OF 6 POSITIONS - THIS IS A TEMPORARY INTERMITTENT POSITION. INCUMBENT WILL WORK FULL-TIME DURING PEAK WORK LEVELS, AND WHEN THERE IS SPECIAL NEED.

Prepared and Typed by
Denise Jackson

